(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DODD. Mr. President. I rise today in strong support for passage of S. 318, the Homeowners Protection Act of 1997. This important consumer legislation would end the odious practice of forcing hundreds of thousands of homeowners to pay for private mortgage insurance long after they, or their lender, cease to derive any benefit from it.

Private mortgage insurance—or PMI as it's known—has played a very important role in expanding homeownership opportunities for people who have had less than the traditional 20 percent downpayment that many lenders required. In the event of a default, the PMI provides insurance to the lender for the difference between the downpayment and 20 percent or, in rare instances, some other predetermined percentage—equity level. This is also known as an 80 percent loan-to-value ratio.

As beneficial as PMI has been, it has also developed some less savory characteristics. Principally, the problem with PMI as it exists today is that it is virtually impossible for a homeowner to stop making the premium payments, even after the PMI no longer provides any protection. As a result, literally hundreds of thousands of homeowners pay as much as $1,200 a year in unfair and unnecessary payments.

Mr. President, this legislation would change all that in a fair and simple way. First, the bill provides simple and meaningful disclosure to the borrower at the time of the mortgage closing, so that the borrower understands when and how they can cancel their PMI. In fact, the borrower receives an amortization table that gives them a date certain when they may voluntarily cancel the PMI and a date certain when the PMI will be automatically canceled. Second, the bill requires the mortgage servicer to provide annual notices to the homeowner and then to let the homeowner know that they've reached 80 percent loan-to-value ratio, based upon the original amortization table, and therefore, the homeowner may have the right to cancel. Third, the bill provides that for the vast majority of homeowners, their PMI will be automatically canceled at 78 percent loan-to-value ratio, based upon the original amortization table. Lastly, there are some very, very narrow exceptions for high-risk loans that allow the continuation of PMI to the halflife of the loan.

Let me put it more simply, Mr. President: for the overwhelming majority of homeowners, when you've got 20 percent equity in your home, you have the right to initiate cancellation of your PMI. If you choose not to initiate the cancellation, your PMI will be automatically canceled at 22 percent equity. It's that simple. And the result of these reforms will save hundreds of thousands of homeowners as much as $1,200 a year.

As easy as the problem was to identify, it was a complicated and difficult process to achieve this legislative remedy. I particularly wish to acknowledge the outstanding work of Chairman D'AMATO, with whom I joined in this effort back in February. I would also like to thank Senator SARBANES, Senator FAIRCLOTH, and Senator BENNETT for their tireless efforts to achieve a bill that serves the interest of consumers without inadvertently disrupting the mortgage lending industry.

I urge my colleagues to join me in passing this legislation.

Mr. FAIRCLOTH. Mr. President, I want to commend my colleagues on the Banking Committee for their tireless efforts to craft this piece of legislation so that the final bill can enjoy such broad bipartisan support. The Banking Committee has passed positive legislation to protect consumers and give them new rights for canceling private mortgage insurance.

Private mortgage insurance has been a great tool to increase homeownership. But there have been too many cases where people had trouble canceling the insurance long after it was needed. This bill gives consumers the opportunity to cancel their private mortgage insurance at 20-percent equity and requires automatic cancellation at 22-percent equity. S. 318 requires that homebuyers be informed about their right to cancel private mortgage insurance. It creates a national standard for cancellation that is clear and simple for consumers to understand. I believe it is a winner for all kinds of consumers.

When S. 318 was first introduced about 9 months ago many on the committee could not support it. It created unnecessary government mandates and controls on the entire mortgage industry by setting a bright line rule for cancellation. As a result, S. 318 as introduced, would have increased the cost of obtaining a low downpayment mortgage and would have put homeownership out of the reach for many families.

The version that was reported out of the committee, by a 16-to-1 vote on October 23, still provides consumers with important rights, but eliminates the Federal Government's role in the marketplace so that industry can continue to create innovative products for future homebuyers. Further, the bill provides meaningful limitations on class action lawsuits without stripping consumers of their enforcement mechanisms in the bill.

I believe that S. 318, as written today, is a good bill for consumers everywhere. Mortgage insurance is a valuable financial tool that allows people to get into homes years sooner than they would otherwise. But I do not want anyone to pay for it longer than it is needed. This bill gives consumers that protection.

Mr. SESSIONS. I ask unanimous consent that the amendment be considered as read and agreed to, the bill be considered as read a third time and passed as amended, the title amendment be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1623) was agreed to.

The bill (S. 318), as amended, was read the third time and passed.

The title was amended so as to read: A Bill to require automatic cancellation and notice of cancellation rights with respect to private mortgage insurance which is required as a condition for entering into a residential mortgage transaction, to abolish the Thrift Depositor Protection Oversight Board, and for other purposes.

CANCELLATION DISAPPROVAL ACT OF 1997

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 284, H.R. 2631.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2631) disapproving the cancellations transmitted by the President on October 6, 1997 regarding public law 105–45.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SESSIONS. I ask unanimous consent that the bill be read three times, passed, and the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2631) was ordered to a third reading, was read the third time, and passed.

COMPREHENSIVE ONE-CALL NOTIFICATION ACT OF 1997

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 280, S. 1115.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1115) to amend title 49, United States Code, to improve the one-call notification process, and for other purposes.

The Senate proceeded to consider the bill.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1115) was read the third time and passed, as follows:

S. 1115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Comprehensive One-Call Notification Act of 1997''.

SECTION 2. FINDINGS.

The Congress finds that—

(1) unintentional damage to underground facilities during excavation is a significant cause of disruptions in telecommunications, water supply, electric power and other vital public services, such as hospital and air traffic control operations, and is a leading cause of natural gas and hazardous liquid pipeline accidents;

(2) excavation that is performed without prior notification to an underground facility operator or with inaccurate marking of such a facility prior to excavation can cause damage that results in fatalities, serious injuries, harm to the environment and disruption of vital services to the public; and

(3) protection of the public and the environment from the consequences of underground facility damage caused by excavations will be enhanced by a coordinated national effort to improve one-call notification programs in each State and the effectiveness and efficiency of one-call notification system that operate under such programs.

SEC. 3. ESTABLISHMENT OF ONE-CALL PROGRAM.

(a) IN GENERAL.—Subtitle III of title 49, United States Code, is amended by adding at the end thereof the following:

''CHAPTER 61—ONE-CALL NOTIFICATION PROGRAM

''§ 6101. Purposes.

''The purposes of this chapter are—

''(1) to enhance public safety;

''(2) to protect the environment;

''(3) to minimize risks to excavators; and

''(4) to prevent disruption of vital public services,

by reducing the incidence of damage to underground facilities during excavation through the adoption and efficient implementation by all States of State one-call notification programs that meet the minimum standards set forth under section 6103.

''§ 6102. Definitions.

''For purposes of this chapter—

''(1) ONE-CALL NOTIFICATION SYSTEM.—The term ''one-call notification system'' means a system operated by an organization that has as one of its purposes to receive notification from excavators of intended excavation in a specified area in order to disseminate such notification to underground facility operators that are members of the system so that such operators can locate and mark their facilities in order to prevent damage to underground facilities in the course of such excavation.

''(2) STATE ONE-CALL NOTIFICATION PROGRAM.—The term ''State one-call notification program'' means the State statutes, regulations, orders, judicial decisions, and other elements of law and policy in effect in a State that establish the requirements for the operation of one-call notification systems in such State.

''(3) STATE.—The term 'State' means a State, the District of Columbia, and Puerto Rico.

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

''§ 6103. Minimum standards for State one-call notification programs

''(a) MINIMUM STANDARDS.—A State one-call notification program shall, at a minimum, provide for—

''(1) appropriate participation by all underground facility operators;

''(2) appropriate participation by all excavators; and

''(3) flexible and effective enforcement under State law with respect to participation in, and use of, one-call notification systems.

''(b) APPROPRIATE PARTICIPATION.—In determining the appropriate extent of participation required for types of underground facilities or excavators under subsection (a), a State shall assess, rank, and take into consideration the risks to the public safety, the environment, excavators, and vital public services associated with

''(1) damage to types of underground facilities; and

''(2) activities of types of excavators.

''(c) IMPLEMENTATION.—A State one-call notification program also shall, at a minimum, provide for

''(1) consideration of the ranking of risks under subsection (b) in the enforcement of its provisions;

''(2) a reasonable relationship between the benefits of one-call notification and the cost of implementing and complying with the requirements of the State one-call notification program; and

''(3) voluntary participation where the State determines that a type of underground facility or an activity of a type of excavator poses a *de minimis* risk to public safety or the environment.

''(d) PENALTIES.—To the extent the State determines appropriate and necessary to achieve the purposes of this chapter, a State one-call notification program shall, at a minimum, provide for

''(1) administrative or civil penalties commensurate with the seriousness of a violation by an excavator or facility owner of a State one-call notification program;

''(2) increased penalties for parties that repeatedly damage underground facilities because they fail to use one-call notification systems or for parties that repeatedly fail to provide timely and accurate marking after the required call has been made to a one-call notification system;

''(3) reduced or waived penalties for a violation of a requirement of a State one-call notification program that results in, or could result in, damage that is promptly reported by the violator;

''(4) equitable relief; and

''(5) citation of violations.

''§ 6104. Compliance with minimum standards

''(a) REQUIREMENT.—In order to qualify for a grant under section 6106, each State shall, within 2 years after the date of the enactment of the Comprehensive One-Call Notification Act of 1997, submit to the Secretary a grant application under subsection (b).

''(b) APPLICATION.—

''(1) Upon application by a State, the Secretary shall review that State's one-call notification program, including the provisions for implementation of the program and the record of compliance and enforcement under the program.

''(2) Based on the review under paragraph (1), the Secretary shall determine whether the State's one-call notification program meets the minimum standards for such a program set forth in section 6103 in order to qualify for a grant under section 6106.

''(3) In order to expedite compliance under this section, the Secretary may consult with the Secretary may consult with the State as to whether an existing State on-call notification program, a specific modification thereof, or a proposed State program would result in a positive determination under paragraph (2).

''(4) The Secretary shall prescribe the form of, and manner of filing, an application under this section that shall provide sufficient information about a State's one-call notification program for the Secretary to evaluate its overall effectiveness. Such information may include the nature and reasons for exceptions from required participation, the types of enforcement available, and such other information as the Secretary deems necessary.

''(5) The application of a State under paragraph (1) and the record of actions of the Secretary under this section shall be available to the public.

''(c) ALTERNATIVE PROGRAM.—A State may maintain an alternative one-call notification program is that program provides protection for public safety, the environment, or excavators that is equivalent to, or greater than, protection under a program that meets the minimum standards set forth in section 6103.

''(d) REPORT.—Within 3 years after the date of the enactment of the Comprehensive One-call Notification Act of 1997, the Secretary shall begin to include the following information in reports submitted under section 60124 of this title—

''(1) a description of the extent to which each State has adopted and implemented the minimum Federal standards under section 6103 or maintains an alternative program under subsection (c);

''(2) an analysis by the Secretary of the overall effectiveness of the State's one-call notification program and the one-call notification systems operating under such program in achieving the purposes of this chapter;

''(3) the impact of the State's decisions on the extent or required participation in one call notification systems on prevention of damage to underground facilities; and

''(4) areas where improvements are needed in one call notification systems in operation in the State.

The report shall also include any recommendations the Secretary determines appropriate. If the Secretary determines that the purposes of this chapter have been substantially achieved, no further report under this section shall be required.

''§ 6105. Review of one-call system best practices

''(a) STUDY OF EXISTING ONE-CALL SYSTEMS.—Except as provided in subsection (d), the Secretary, in consultation with other appropriate Federal agencies, State agencies, one-call notification system operators, underground facility operators, excavators, and other interested parties, shall undertake a study of damage prevention practices associated with existing one-call notification systems.

''(b) PURPOSE OF STUDY OF DAMAGE PREVENTION PRACTICES.—The purpose of the study is to assemble information in order to determine which existing one-call notification systems practices appear to be the most effective in preventing damage to underground facilities and in protecting the public, the environment, excavators, and public service disruption. As part of the study, the Secretary shall at a minimum consider—

''(1) the methods used by one-call notification systems and others to encourage participation by excavators and owners of underground facilities;

''(2) the methods by which one-call notification systems promote awareness of their

programs, including use of public service announcements and educational materials and programs;

''(3) the methods by which one-call notification systems receive and distribute information from excavators and underground facility owners;

''(4) the use of any performance and service standards to verify the effectiveness of a one-call notification system;

''(5) the effectiveness and accuracy of mapping used by one-call notification systems;

''(6) the relationship between one-call notification systems and preventing intentional damage to underground facilities;

''(7) how one-call notification systems address the need for rapid response to situations where the need to excavate is urgent;

''(8) the extent to which accidents occur due to errors in marking of underground facilities, untimely marking or errors in the excavation process after a one-call notification system has been notified of an excavation;

''(9) the extent to which personnel engaged in marking underground facilities may be endangered;

''(10) the characteristics of damage prevention programs the Secretary believes could be relevant to the effectiveness of State one-call notification programs; and

''(11) the effectiveness of penalties and enforcement activities under State one-call notification programs in obtaining compliance with program requirements.

''(c) REPORT.—Within 1 year after the date of the enactment of the Comprehensive One-Call Notification Act of 1997, the Secretary shall publish a report identifying those practices of one-call notification systems that are the most and least successful in—

''(1) preventing damage to underground facilities; and

''(2) providing effective and efficient service to excavators and underground facility operators.

The Secretary shall encourage States and operators of one-call notification programs to adopt and implement the most successful practices identified in the report.

''(d) SECRETARIAL DISCRETION.—Prior to undertaking the study described in subsection (a), the Secretary shall determine whether timely information described in subsection (b) is readily available. If the Secretary determines that such information is readily available, the Secretary is not required to carry out the study.

§ 6106. Grants to States

''(a) IN GENERAL.—The Secretary may make a grant of financial assistance to a State that qualifies under section 6104(b) to assist in improving—

''(1) the overall quality and effectiveness of one-call notification systems in the State;

''(2) communications systems linking one-call notification systems;

''(3) location capabilities, including training personnel and developing and using location technology;

''(4) record retention and recording capabilities for one-call notification systems;

''(5) public information and education;

''(6) participation in one-call notification systems; or

''(7) compliance and enforcement under the State one-call notification program.

''(b) STATE ACTION TAKEN INTO ACCOUNT.—In making grants under this section the Secretary shall take into consideration the commitment of each State to improving its State one-call notification program, including legislative and regulatory actions taken by the State after the date of enactment of the Comprehensive One-Call Notification Act of 1997.

''(c) FUNDING FOR ONE-CALL NOTIFICATION SYSTEMS.—A State may provide funds received under this section directly to any one-call notification system in such State that substantially adopts the best practices identified under section 6105.

''§ 6107. Authorization of appropriations

''(a) FOR GRANTS TO STATES.—There are authorized to be appropriated to the Secretary in fiscal year 1999 no more than $1,000,000 and in fiscal year 2000 no more than $5,000,000, to be available until expended, to provide grants to States under section 6106.

''(b) FOR ADMINISTRATION.—There are authorized to be appropriated to the Secretary such sums as may be necessary during fiscal years 1998, 1999, and 2000 to carry out sections 6103, 6104, and 6105.

''(c) GENERAL REVENUE FUNDING.—Any sums appropriated under this section shall be derived from general revenues and may not be derived from amounts collected under section 60301 of this title.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis of chapters for subtitle III of title 49, United States Code, is amended by adding at the end thereof the following:

''CHAPTER 61—ONE-CALL NOTIFICATION PROGRAM''.

(2) Chapter 601 of title 49, United States Code, is amended—

(A) by striking ''sections 60114 and'' in section 60105(a) of that chapter and inserting ''section'';

(B) by striking section 60114 and the item relating to that section in the table of sections for that chapter;

(C) by striking ''60114(c), 60118(a),'' in section 60122(a)(1) of that chapter and inserting ''60118(a),'';

(D) by striking ''60114(c) or'' in section 60123(a) of that chapter;

(E) by striking ''sections 60107 and 60114(b)'' in subsections (a) and (b) of section 60125 and inserting ''section 60107'' in each such subsection; and

(F) by striking subsection (d) of section 60125, and redesignating subsections (e) and (f) of that section as subsections (d) and (e).

MUSEUM AND LIBRARY SERVICES TECHNICAL AND CONFORMING AMENDMENTS OF 1997

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 1505, introduced earlier today by Senator JEFFORDS.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1505) to make technical and conforming amendments to the Museum and Library Services Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. INOUYE. Mr. President, may I call upon my colleague, the esteemed Chairman of the Committee on Labor and Human Resources, to clarify a matter that is addressed in the bill to provide technical amendments to the Museum and Library Services Act?

Mr. JEFFORDS. I am pleased to answer any question that the Senator from Hawaii may have.

Mr. INOUYE. Under the provisions of the Library Services and Construction Act, Public Law 98–480, Native Hawaiian organizations are authorized to provide library services to Native Hawaiians. One of our most exemplary Federal grantees, Alu Like, Inc., has been administering the Native Hawaiian Library Project since 1985.

Native Hawaiian children in the State's public school system start school well behind other students when it comes to crucial vocabulary skills. Hawaiian children enter kindergarten with lower vocabulary scores than other children (12th percentile: Peabody Picture Vocabulary Test—Revised, 1989), and in achievement tests of basic skills, Hawaiian students continue to perform below national norms and other groups in Hawaii. On the Reading Comprehension Subtest of the Stanford Achievement Test administered by the Hawaii State Department of Education in the spring of 1990, Hawaiian eighth grade students scored at the 18th percentile, the lowest of the four principal ethnic groups in Hawaii. A recent study in Hawaii by the Governor's Council for Literacy shows that Native Hawaiian adults have low literacy rates, with 30 percent at the lowest level compared with 19 percent of adults statewide.

It is these statistics, and the need to assure that parents have reading skills sufficient to foster learning and reading skills in their preschool and school-age children, that the Native Hawaiian Library Project has sought to address. This has been made possible because of the federal resources that have been made available under the Library Services and Construction Act. The initial funding for this program was $590,123 and 1985, and because of the program's documented effectiveness, it has been funded each year thereafter for a total of $7,223,297. Funding in the past fiscal year was $635,025.

It is my understanding that in enacting the Museum and Library Services Act, the Congress sought to extend the authority for the library services programs that have proven to be so effective in enriching the reading and vocabulary skills of Americans of all ages. In our State, it has enabled Native Hawaiian children to begin to perform on a par with other students, it has effected a reduction in the drop-out rates of Native Hawaiian students and demonstrated a marked improvement in their performance on achievement tests, and has enabled adults with new literacy skills to secure employment.

It is because of the importance of this program to the Native Hawaiian people of our State that I seek your clarification that the bill to provide technical and conforming amendments to the Museum and Library Services Act, specifically section 6 of that measure, is intended simply to maintain the status quo relative to the federal support for Native Hawaiian library services by extending the authority for grants to Native Hawaiian organizations for this purpose.

Mr. JEFFORDS. The Senator from Hawaii is correct in his reading of the